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October 28, 2021

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Plan for Compliance with the Continued Listing Requirements for New Market Segments

DESCENTE LTD. (hereinafter the “Company”) hereby announces that the Company has submitted an application to select the Prime Market today with respect to the restructuring of the market segments of the Tokyo Stock Exchange, Inc. (hereinafter “TSE”) scheduled for April 2022. As of the base date for transition (June 30, 2021), we did not meet the listing requirements of the relevant market, and therefore, we have prepared a plan to comply with the listing requirements of the new market segments as described below.

Notes

○ Our Status of Compliance with Continued Listing Requirements and Planning Period

The status of compliance with the listing requirements of the prime market as of the base date for transition are as follows. Although the tradable share ratio does not meet the requirements as of the base date of transition, various initiatives are underway to comply with the listing requirements by March 2022.

	No. of Shareholders	No. of Tradable Shares	Tradable Share Market Cap (JPY)	Tradable Share Ratio	Trading Value / Daily Avg. (JPY)	Market Cap (JPY)
Our Status as of the Base Date of Transition	-	268,119 Units	57.3 billion	34.8%	290 million	-
Continued Listing Requirements	-	20,000 Units	10 billion	35.0%	20 million	-
Items Described in the Plan	-			○		-

※Our compliance status was calculated based on the distribution of our share certificates, etc. as known by the TSE as of the base date for transition.

○Basic Policies, Details of Efforts, and Results of Efforts to Ensure Compliance with the Continued Listing Requirements

We review the appropriateness of cross-shareholdings and our future shareholding policy each year, and we have begun to reduce them by recommending to our cross-shareholders the sale of our shares.

Also, to promote and strengthen IR activities, in addition to holding quarterly briefings and individual meetings for investors, we hold small meetings when needed and distribute English-translated IR-related materials to disseminate enhanced information to investors.

As a result, when we calculated the shareholders list as of September 30, 2021, the tradable shares ratio, which did not meet the requirements as of base date for transition (June 30), was 36.0%, which meets the continued listing requirements of the Prime Market.

Going forward, we will continue to reduce cross-shareholdings, increase the number of items to be disclosed in non-financial information, and disclose information on financial results briefings. By continuing to focus on providing thorough information not only to institutional investors but also to individual investors, we will satisfy the criteria for maintaining the listing of the prime market.

	Our Status as of September 30, 2021	Continued Listing requirements	Status of Compliance
Tradable Share Ratio	36.0%	35.0%	○

- End -